COMMISSIONERS
TOM FORESE - Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

Arizona Corporation Commission





Burns-web@azcc.gov

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ARIZONA CORPORATION COMMISSION

December 24, 2018

Arizona Corporation Commission
DOCKETED

DEC 2 4 2018

DOCKETER

RE: RATE REVIEW FOR ARIZONA PUBLIC SERVICE COMPANY

DOCKET NOS. E-01345A-16-0036 & E-01345A-16-0123

Commissioners:

Docket Control

1200 West Washington Phoenix, Arizona 85007

In August 2017, the Arizona Corporation Commission ("ACC") issued Decision No. 76295 which approved a rate increase for Arizona Public Service Company ("APS"). This Decision also approved significant changes to APS's rate design and tariffs. Because of these changes, the ACC required APS to do an extensive customer education program.

Since Decision No. 76295 was issued, the ACC has received a substantial number of complaints and comments stating that the rate increase was much more than anticipated. These filed complaints/comments lead us to believe that there is a strong possibility that APS's customer education program and outreach did not accomplish the intended goal. That goal being to provide APS customers with the knowledge and tools to keep their bill increase to a minimum and perhaps even reduce their bills. Based on all this, we believe there may be a possibility that APS is overearning, i.e., earning more than was authorized by Decision No. 76295.

Therefore, because APS may be overearning, we would request that ACC Staff ("Staff") perform a rate review of APS, using calendar year 2018 as a test year. We believe 2018 is a good test year because it is the first full calendar year since APS's rate increase was approved. In this rate review, we expect APS to fully cooperate with Staff. APS is expected to promptly reply to all Staff data requests and those responses are expected to be complete. If Staff has any issues with APS's cooperation in this rate review, Staff should immediately notify the Commissioners so the ACC can take whatever action it believes is appropriate, which may include invoking Arizona Revised Statute § 40-252 to reconsider Decision No. 76295.

We expect this rate review to be extensive and thorough; and if need be, because of Staff's heavy workload, Staff should hire a consultant to assist with this rate review. As part of this rate review, we would also like Staff to investigate APS's customer education and outreach program. We would like Staff to give us their assessment of APS's efforts in this area.

We request that this rate review be completed and Staff's report be issued no later than May 3, 2019. We also request that Staff make this one of its top priorities so that the Staff report could possibly be issued before May.

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BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON



Arizona Corporation Commission

Main Line: (602) 542-2237 E-mail: dunn-web@azcc.gov Burns-web@azcc.gov

If this rate review reveals that APS is indeed overearning and/or that APS's customer education and outreach program was lacking in any way, the ACC should immediately take whatever action is available to it to remedy the situation(s).

If any Commissioner has a comment on our request, please provide such comment by January 4, 2019. We intend to place this item on the agenda of the first ACC Staff Open Meeting of 2019.

Sincerely,

Boyd Dunn Commissioner

Bob Burns Commissioner On this 24th day of December, 2018, the foregoing document was filed with Docket Control as a Correspondence From Commissioners, and copies of the foregoing were mailed on behalf of Boyd Dunn, Commissioner - A.C.C. and Bob Burns Commissioner - A.C.C to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Arizona Public Service Company E-01345A-16-0036 & E-01345A16-0123 Albert H. Acken
One N. Central Ave Ste 1200
Phoenix AZ 85004
ssweeney@rcalaw.com
slofland@rcalaw.com
jjw@krsaline.com
aacken@rcalaw.com

Consented to Service by Email

Ann-Marie Anderson
WRIGHT WELKER & PAUOLE, PLC
10429 South 51st Street, Suite 285
Phoenix AZ 85044
aanderson@wwpfirm.com
sjennings@aarp.org
aallen@wwpfirm.com
john@johncoffman.net

Consented to Service by Email

Bob Stump
ARIZONA ENERGY POLICY GROUP
2198 E. Camelback Road, Suite 305
Phoenix AZ 85016
ArizonaEnergyPolicyGroup@gmail.com

Consented to Service by Email

Court S. Rich ROSE LAW GROUP, PC 7144 E. Stetson Drive, Suite 300 Scottsdale AZ 85251 hslaughter@roselawgroup.com cledford@mcdonaldcarano.com CRich@RoseLawGroup.com

Consented to Service by Email

Cynthia Zwick
ARIZONA COMMUNITY ACTION ASSOCIATION
2700 N. Third St. - 3040
Phoenix AZ 85004
czwick@azcaa.org
khengehold@azcaa.org

Consented to Service by Email

Dennis M. Fitzgibbons FITZGIBBONS LAW OFFICES, PLC P.O. Box 11208 Casa Grande AZ 85230 denis@fitzgibbonslaw.com

Consented to Service by Email

Albert E. Gervenack
SUN CITY WEST PROPERTY OWNERS &
RESIDENTS ASSOCIAT
13815 Camino Del Sol
Sun City West AZ 85375
al.gervenack@porascw.org
Bob.miller@porascw.org

Consented to Service by Email

Anthony Wanger IO DATA CENTERS, LLC 615 N. 48th St Phoenix AZ 85008

Rob.robbins@porascw.org

Charles Wesselhoft
Pima County Attorney's Office
32 North Stone Avenue, Suite 2100
Tucson AZ 85701
Charles.Wesselhoft@pcao.pima.gov

Consented to Service by Email

Craig A. Marks
CRAIG A. MARKS, PLC
10645 N. Tatum Blvd.
Suite 200-676
Phoenix AZ 85028
Craig.Marks@azbar.org
Pat.Quinn47474@gmail.com

Consented to Service by Email

Daniel Pozefsky
RUCO
1110 West Washington, Suite 220
Phoenix AZ 85007
procedural@azruco.gov
dpozefsky@azruco.gov
jfuentes@azruco.gov
cfraulob@azruco.gov

Giancarlo Estrada KAMPER ESTRADA, LLP 3030 N. 3rd Street, Suite 770 Phoenix AZ 85012 kfox@kfwlaw.com gestrada@law.phx.com

Consented to Service by Email

Greg Patterson MUNGER CHADWICK 916 W. Adams Suite 3 Phoenix AZ 85007

John William Moore, Jr. MOORE BENHAM & BEAVER, PLC 7321 N. 16th Street Phoenix AZ 85020

Lawrence V. Robertson, Jr. 210 Continental Road, Suite 216A Green Valley AZ 85622 Tubaclawyer@aol.com Tubaclawyer@aol.com

Consented to Service by Email

Matthew E. Price JENNER & BLOCK 1099 New York Avenue, NW, Suite 900 Washington DC 20001-4412

Michael Patten SNELL & WILMER, LLP One Arizona Center 400 East Van Buren Street Phoenix AZ 85004 docket@swlaw.com jhoward@swlaw.com

bcarroll@tep.com

mpatten@swlaw.com

Consented to Service by Email

Patricia C. Ferre P.O. Box 433 Payson AZ 85547 pFerreact@mac.com

Consented to Service by Email

Garry D Hays LAW OFFICES OF GARRY D. HAYS, PC 2198 E. Camelback Rd. Suite 305 Phoenix AZ 85016 Ghays@lawgdh.com

Consented to Service by Email

Greg Eisert
SUN CITY HOME OWNERS ASSOCIATION
10401 W. Coggins Drive
Sun City AZ 85351
gregeisert@gmail.com
steven.puck@cox.net

Consented to Service by Email

Jay I. Moyes
MOYES SELLERS & HENDRICKS, LTD
1850 N. Central Ave. - 1100
Phoenix AZ 85004
jasonmoyes@law-msh.com
jimoyes@law-msh.com
jim@harcuvar.com

Consented to Service by Email

Kurt Boehm BOEHM, KURTZ & LOWRY 36 E. Seventh St. Suite 1510 Cincinnati OH 45202

Mary R. O'Grady OSBORN MALEDON, P.A. 2929 North Central Aveue, 21st Floor Phoenix AZ 85012

Meghan H. Grabel
OSBORN MALEDON, PA
2929 N. Central Avenue Suite 2100
Phoenix AZ 85012
gyaquinto@arizonaic.org
mgrabel@omlaw.com

Richard Gayer 526 W. Wilshire Dr. Phoenix AZ 85003 rgayer@cox.net

Consented to Service by Email

Robin Mitchel
ARIZONA CORPORATION COMMISSION
Interim Director- Legal Division
1200 West Washington
Phoenix AZ 85007
legaldiv@azcc.gov

MScott@azcc.gov kchristine@azcc.gov wvancleve@azcc.gov

EAbinah@azcc.gov

utildivservicebyemail@azcc.gov

Consented to Service by Email

Thomas H. Campbell
LEWIS ROCA ROTHGERBER CHRISTIE, LLP
201 East Washington Street, Suite 1200
Phoenix AZ 85004
Tcampbell@lrrc.com
SBLutz@lrrc.com

Consented to Service by Email

Thomas E. Stewart GRANITE CREEK POWER & GAS/GRANITE CREEK FARMS 5316 East Voltaire Avenue Scottsdale AZ 85254-3643 tom@gcfaz.com

Consented to Service by Email

Timothy J. Sabo SNELL & WILMER, LLP One Arizona Center 400 East Van Buren Phoenix AZ 85004 tsabo@swlaw.com docket@swlaw.com

jhoward@swlaw.com

pwalker@conservamerica.org

Consented to Service by Email

Nicholas J. Enoch LUBIN & ENOCH, PC 349 N. Fourth Ave. Phoenix AZ 85003

Patrick J. Black
Fennemore Craig, P.C.
2394 E. Camelback Rd, Ste 600
Phoenix AZ 85016
khiggins@energystrat.com
pblack@fclaw.com

Consented to Service by Email

Robert Pickels, Jr.
Sedona City Attorney's Office
102 Roadrunner Drive
Sedona AZ 86336
rpickels@sedonaaz.gov

Consented to Service by Email

Scott S. Wakefield
HIENTON & CURRY, PLLC
5045 N 12th Street, Suite 110
Phoenix AZ 85014-3302
mlougee@hclawgroup.com
swakefield@hclawgroup.com
chris.hendrix@wal-mart.com
Greg.tillman@walmart.com
Stephen.chriss@wal-mart.com
lperry@horam-houghton.com

Warren Woodward 200 Sierra Road Sedona AZ 86336 w6345789@yahoo.com w6345789@yahoo.com

Consented to Service by Email

Thomas A Loquvam PINNACLE WEST CAPITOL CORPORATION 400 N. 5Th St. MS 8695 Phoenix, AZ 85004 thomas.loquvam@pinnaclewest.com Melissa.Krueger@pinnaclewest.com Debra.Orr@aps.com Amanda.Ho@pinnaclewest.com Thomas.Mumaw@pinnaclewest.com prefo@swlaw.com thomas.loquvam@pinnaclewest.com Melissa.Krueger@pinnaclewest.com Debra.Orr@aps.com Amanda. Ho@pinnaclewest.com Thomas.Mumaw@pinnaclewest.com prefo@swlaw.com

Consented to Service by Email

Timothy M. Hogan ARIZONA CENTER FOR LAW IN THE PUBLIC INTERST 514 W. Roosevelt St. Phoenix AZ 85003 ken.wilson@westernresources.org ezuckerman@swenergy.org thogan@aclpi.org cfitzgerrell@earthjustice.org briana@votesolar.org schlegelj@aol.com dbender@earthjustice.org bbaatz@aceee.org cosuala@earthjustice.org dzur.law@comcast.net ken.wilson@westernresources.org ezuckerman@swenergy.org thogan@aclpi.org cfitzgerrell@earthjustice.org briana@votesolar.org schlegelj@aol.com dbender@earthjustice.org bbaatz@aceee.org cosuala@earthjustice.org

Tom Harris
ARIZONA SOLAR ENERGY INDUSTRIES
ASSOCIATION
2122 W. Lone Cactus Dr. Suite 2
Phoenix AZ 85027
tom.harris@ariSEIA.org

Patrick Maloney
Deputy Policy Advisor